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Security Council

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Eleventh report of the Secretary-General pursuant to paragraph 6 of resolution 1956 (2010)

I. Introduction

1. The present report is submitted pursuant to paragraph 6 of Security Council resolution 1956 (2010), in which the Council requested me to provide written reports on an ongoing basis to the Council every six months about the United Nations Compensation Fund, with effect from 1 January 2012, evaluating the continued compliance with the provisions of paragraph 21 of resolution 1483 (2003), which requires Iraq to deposit 5 per cent of the proceeds from export sales of petroleum, petroleum products and natural gas into the Fund. The present eleventh report covers the developments following the issuance of my tenth report (S/2016/536) on 14 June 2016.

II. Developments

2. The overall amount of compensation paid to date by the United Nations Compensation Commission stands at $47.8 billion, leaving approximately $4.6 billion outstanding to be paid to Kuwait to settle the last remaining claim.

3. At the eighty-first session of the Governing Council of the Commission, held on 2 November 2016, the Council considered a request from the Government of Iraq for an additional postponement of its deposit requirements. Recognizing that the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated therewith had continued since its adoption of decisions 272 (2014) and 273 (2015), the Council adopted decision 274 (2016), by which it granted a further one-year postponement. In adopting the decision, the Council noted with appreciation the support of the Government of Kuwait for the Iraqi request. The Council stressed that it was important for Iraq to complete the payment of the outstanding compensation in a timely manner. In the light of the postponements, the Council also directed the Commission's secretariat to explore, as a matter of importance, future options to ensure the continuation of the payment of the outstanding compensation and to report back to the Council in advance of its eighty-second session, in April 2017. The Council also encouraged the Governments of Iraq and Kuwait to collaborate on future options to be shared with the secretariat for inclusion in its report to the Council.

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4. Pursuant to decision 274 (2016), the Government of Iraq is to resume deposits on 1 January 2018 and advise the Governing Council in writing, no later than 31 August 2017, of its proposed arrangements for the resumption. In addition, payments towards the outstanding amount are scheduled to resume in 2018 in accordance with the payment mechanism set out in Council decision 267 (2009).

5. In conclusion, I welcome the most recent decision of the Governing Council and acknowledge once again the support of the Government of Kuwait for the request by Iraq. I reiterate my expression of solidarity with the Government and the people of Iraq. In addition, I echo the sentiments of the Council and stress that it is important for Iraq to fulfil its obligations and for the Commission's mandate to be brought to a conclusion.